



Involving the Community in Economic Development

Zlatograd, Bulgaria

Background

Beginning in 1992, the mayor and community leaders of Zlatograd (15,600) enacted a program of economic initiatives to reduce unemployment and make the city more attractive to private business. Zlatograd's leaders also saw the need for a single organization to stimulate local economic growth, support local democratic activity, and increase the local capacity to provide increased access to education and social services. Consequently, in September 1995 the city founded the Zlatograd Community Development Center (CDC).

Innovation

A USAID grant of \$50,000 capitalized the CDC, while local businesses renovated office space supplied by the city. The CDC is registered as a non-governmental organization (NGO) with well balanced public/private participation and has received grants totaling approximately \$5,000. The CDC provides services in two areas: local government/citizen education and economic development. Local government/citizen education entails programs such as a municipal information center to involve citizens in local government; a resource library of information on democracy, business, arts and culture, and general interests; an educational resource center for those considering higher education both in Bulgaria and abroad; and a school initiative to educate Zlatograd's youth on democracy and its impact on private citizens. The economic development section assists Zlatograd's growing business community in finding financing and distributes general information with help from various U.S. organizations including the International Executive Service Corps, the Masters in Business Administration Enterprise Corps, and Peace Corps business advisors. The center conducts business seminars and provides services such as business planning, professional letter writing, fax and e-mail access, and foreign language translations, all potentially large sources of revenue for the center. An unemployment section helps citizens find jobs in the private sector labor market, including finding students summer jobs and giving interview and résumé advice. The CDC also envisions establishing a "business incubator," a municipal building that would lease space to local businesses and supply low-cost collective services.

Results

The Zlatograd CDC has been successful in many aspects. Its library owns frequently-borrowed Bulgarian language publications on marketing, business planning, and government. The democratic school initiative's lectures and activities have been well received by school administrators, teachers, and students. The business resource center has prepared business plans and assisted several firms in applying for funding from private lending organizations. Rental of the center's seminar rooms has been a significant source of revenue for the CDC. Although in its first seven months of operation the center generated revenue to cover only 4 percent of expenditures, this figure should rise over the next year, and alternative funding sources are being pursued.

The program has met some obstacles, the most significant of which has been that the new mayor does not support the CDC as strongly as his predecessor. Also, the local economy has continued its decline. The real success of the CDC has been that it has created a focal point for local economic growth and is easily replicable. The CDC has begun to promote itself in neighboring towns, and the nearby municipality of Madan has founded a similar organization based on the CDC model.

Summary

- To stimulate local economic growth, support local democratic activity, and provide increased access to education and social services, the City of Zlatograd founded the Zlatograd Community Development Center (CDC). The CDC library's Bulgarian language publications are frequently borrowed, the school initiative's lectures and activities on democracy have been well received, and the business resource center has prepared business plans and assisted several firms in applying for funding from private lending organizations.

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